

* M/029/001
M/045/012

From: Wayne Hedberg
To: Mary Ann Wright; Minerals
Date: 3/16/04 12:17PM
Subject: Meeting notes - Holcim Corp. (Devils Slide Mine) - M/029/001

On March 16, 2004, a meeting was held at OGM offices with Kenneth George and Tom Newman of Holcim Corp. Division staff members, Doug Jensen, Lynn Kunzler and Wayne Hedberg met with the Holcim representatives to discuss the permitting concerns as outlined in our 2/6/2004 Potential Notice of Noncompliance & Division Directive letter for the Devils Slide mine.

We prepared an agenda that outlined the main issues of concern which addressed the following:

- 1 Mining outside of the approved permit area (disturbed and permit area boundaries not accurate).
- 2 Disturbances associated with the cement plant processing facilities and the old townsite areas not properly permitted.
3. Updating and modification of existing mining and reclamation plan (schedule for same).
4. Current reclamation surety not adequate for existing disturbances and the need to post a transitional bond during time period that the revised plan is being prepared and processed.

We discussed discrepancies noted between Holcim's recently prepared maps of the property as compared to the original 1985 maps (permit and disturbed area boundaries). Additional areas have been added and boundary lines changed without amending the plan.

We discussed the need to add the cement plant processing area to the mining and reclamation plan and the old company townsite that is now being used for mining related purposes. Supplemental reclamation plans and bond cost estimates will need to be prepared to address these areas.

We discussed the inadequacy of the current reclamation surety for the main mine area. Holcim representatives were concerned about being able to continue with uninterrupted operations and agreed to post a transitional surety bond to cover all currently approved disturbances (with the temporary exception of the cement plant and old town site facilities areas). We discussed posting of a \$5,000/acre bond amount for the approximate 400 acre of current disturbance. Mr Newman and Mr. George agreed to review the disturbed area estimate and to discuss posting of a transitional bond with corporate management. They anticipate having an answer back to us within the next 30 days if not sooner. Mr. Newman felt a bond adjustment could be processed relatively soon, once corporate gave the go ahead.

We discussed the need to update and revise the 1987 approved mining and reclamation plan. They agreed to do same and noted they have already hired a summer intern from the Colorado School of Mines to assist them with this task. They anticipate assembling and submitting this plan to us by August 1, 2004. Considering the scope and scale of this plan modification, we agreed that August 1st would be a reasonable timeframe.

We suggested that Holcim reference and/or copy the recently approved Ashgrove Cement - Leamington mine and processing plant application for guidance in preparing a reclamation cost estimate for their cement plant. They agreed to do same.

Overall the meeting went quite well. The operator was very responsive, cooperative and anxious to do what was necessary to bring their operation into compliance as expeditiously as possible.

We anticipate needing to perform onsite meetings with the operator as necessary as we work together to prepare and negotiate the necessary permit modifications.

At the end of the meeting Mr. Newman stated that they will be expanding their Poverly Point Limestone operation soon as well. They anticipate having to amend this application to expand their mining activities at this site. They will have their summer intern work on preparing an revised notice for this mine as well. They hope to have it ready for submittal by August 1st also.

While he was here, Mr. Newman also initialized and dated some minor corrections we had made to a reclamation contract form we recently received for their Poverty Point Limestone operation. Mr. Newman is authorized to sign on behalf of Holcim corporation.

Please copy this email note to the mine file.

CC: Susan White